

**REMARKS**

Claims 1, 3-7, 9-12, 14 and 16-18 are pending in this application. By this Amendment, claims 1, 4, 5, 7, 10, 11, 14 and 16 are amended and new claims 17 and 18 are added. Various amendments are made for clarity and are unrelated to issues of patentability.

The Office Action rejects claims 1, 3-7, 9-12, 14 and 16 under 35 U.S.C. §103(a) over U.S. Patent 6,707,774 to Kuroda et al. (hereafter Kuroda) and U.S. Patent 7,000,113 to Linnartz and further in view of U.S. Patent 7,002,710 to Van Liew et al. (hereafter Van Liew). The rejection is respectfully traversed with respect to the pending claims.

Independent claim 1 recites receiving an original media data set that includes a watermark, said watermark including watermark type indicating whether said watermark is original or not, media owner identification information indicating a media owner and a first copy control information for managing and controlling a media data copying process, said first copy control information being set to one of "copy freely", "copy one generation", "copy never", and "no more copies". Independent claim 1 also recites playing said original media data set only if said first copy control information is set to "copy freely" or "copy one generation", and embedding a player watermark into said played media data set if said first copy control information is set to "copy one generation", said player watermark including a second copy control information set to "no more copies" and player identification information including model number and unique serial number, wherein the second copy control information is derived from said first copy control information.

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The applied references do not teach or suggest at least these features of independent claim 1. More specifically, Kuroda does not teach or suggest a watermark type indicating whether the watermark is original or not. Rather, Kuroda's watermark, copy protection code and code based on CGMS merely indicate copy protection applied to digital video information DP and analog video information AP. See Kuroda's col. 7, lines 38-45. Kuroda does not indicate whether a watermark embedded in the digital and analog video information is generated by a media owner or a player. Furthermore, the "type" in Kuroda relates to information identifying a type of recording medium. Thus, Kuroda does not teach or suggest a watermark type indicating whether the watermark is original or not. Kuroda does not teach all the features as alleged in the Office Action.

Independent claim 1 also recites that the watermark includes media owner identification information indicating a media owner and that the player watermark includes player identification including model number and unique serial number. It should be respectfully submitted that the claimed media owner identification information and Linnartz's serial number are different. Linnartz's serial number is a serial number of a consumer Direct Stream Digital (DSD) encoder and is used to trace a particular DSD recorder. See Linnartz's col. 5, lines 21-23 and col. 6, lines 23-43. On the other hand, as discussed in paragraph [0020] of the present application, the media owner identification information identifies a media copyright owner and is used to bind (i.e., link) the media owner with the media data set. Independent claim 1 also clearly recites media owner identification information indicating a media owner.

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For at least the reasons set forth above, the applied references do not teach or suggest all the features of independent claim 1. Thus, independent claim 1 defines patentable subject matter.

Independent claim 4 recites receiving an original media data set that includes a watermark, said watermark including watermark type indicating whether the watermark is original or not, media owner identification information indicating a media owner and a first copy control information for managing and controlling a media data copying process, said first copy control information for indicating at least whether copying said original media data is permitted. Independent claim 4 also recites performing an operation according to whether said first copy control information indicates that said copying is permitted, and embedding a device watermark into said performed media data set and transferring said device watermark embedded media data set to an external device, said device watermark including a second copy control information derived from said first copy control information and a device identification information including model number and unique serial number.

For at least similar reasons as set forth above, the applied references do not teach or suggest all the features of independent claim 4. Thus, independent claim 4 defines patentable subject matter.

Independent claim 7 recites a copy control information analyzer analyzing a first copy control information included in a watermark embedded into an original media data set, said first copy control information being set to one of "copy freely", "copy one generation", "copy never", and "no more copies", wherein said watermark further includes watermark type indicating

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whether said watermark is original or not and media owner identification information indicating a media owner. Independent claim 7 also recites a playing element playing said media data set if said first copy control information is set to "copy freely" or "copy one generation", and a watermark generator embedding a player watermark into said played data set if said first copy control information is set to "copy one generation", said player watermark including a second copy control information set to "no more copies" and player identification information including model number and unique serial number, said second copy control information is derived from said first copy control information.

For at least similar reasons as set forth above, the applied references do not teach or suggest all the features of independent claim 7. Thus, independent claim 7 defines patentable subject matter.

Independent claim 10 recites a copy control information analyzer analyzing a first copy control information included in a watermark embedded into an original media data set, said first copy control information required for determining at least whether copying said original media data is permitted, wherein said watermark further includes watermark type indicating whether the watermark is original or not and media owner identification information indicating a media owner. Independent claim 10 also recites an operation element performing an operation according to an analyzed result of said copy control information analyzer, and a watermark generator embedding a device watermark into said performed media data set and transferring said device watermark embedded media data set to an external device, said device watermark

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including a second copy control information and the device identification information including model number and unique serial number.

For at least similar reasons as set forth above, the applied references do not teach or suggest all the features of independent claim 10. Thus, independent claim 10 defines patentable subject matter.

Accordingly, independent claims 1, 4, 7 and 10 define patentable subject matter. Each of the dependent claims depends from one of the independent claims and therefore defines patentable subject matter at least for this reason. In addition, the dependent claims recite features that further and independently distinguish over the applied references.

For example, dependent claim 17 recites that the second copy control information is set to “copy for display only” if said performed media data set is to be transferred to a displaying device, said “copy for display only” distinguishing a media data set for display only from said original media data set or a copied media data set for record. See also dependent claim 18. The applied references do not teach or suggest at least these features. Thus, dependent claims 17-18 define patentable subject matter at least for these additional reasons.

### **CONCLUSION**

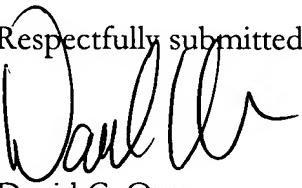
In view of the foregoing, it is respectfully submitted that the application is in condition for allowance. Favorable consideration and prompt allowance of claims 1, 3-7, 9-12, 14 and 16-18 are earnestly solicited. If the Examiner believes that any additional changes would place the application in better condition for allowance, the Examiner is invited to contact the undersigned attorney at the telephone number listed below.

Serial No. **10/078,272**

Docket No. **CIT/K-0141**

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To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this, concurrent and future replies, including extension of time fees, to Deposit Account 16-0607 and please credit any excess fees to such deposit account.

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